THE REPUBLICAN STUDY COMMITTEE

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RSC Policy Brief:
Balanced Budget Amendments to the U.S. Constitution: Comparing H.J. Res 1 & H.J. Res. 56

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Yesterday, Majority Leader Eric Cantor (R-VA) announced that the House is expected to consider a balanced budget amendment (BBA) to the U.S. Constitution the week of July 25, 2011. The House Committee on the Judiciary recently reported out of committee a BBA (H.J.Res. 1) sponsored by Rep. Bob Goodlatte (R-VA). Some RSC offices have inquired about the differences between the committee-reported version and H.J.Res. 56, the BBA sponsored by Rep. Joe Walsh (R-IL) that is the same language as a Senate BBA supported by 47 Senators and referenced in the RSC's Cut, Cap, and Balance letter. The key differences between the two balanced budget amendments are outlined below.

Category	***H.J. Res. 1***	***H. J. Res. 56***
Total Outlays v. Total Receipts	Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless ***three-fifths*** of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a roll call vote. (Section 1)	Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless ***two-thirds*** of the duly chosen and sworn Members of each House of Congress shall provide by law for a specific excess of outlays over receipts by a roll call vote. (Section 1)
Cap on Total Outlays	Total outlays for any fiscal year shall not exceed ***18 percent*** of economic output of the United States, unless two-thirds of each House of Congress shall provide for a specific increase of outlays above this amount. *Note: original Section 2 was amended at the committee markup to decrease the cap on total outlays from 20 percent to 18 percent.* (Section 2)	Total outlays for any fiscal year shall not exceed ***18 percent*** of the gross domestic product of the United States for the calendar year ending before the beginning of such fiscal year, unless two-thirds of the duly chosen and sworn Members of each House of Congress shall provide by law for a specific amount in excess of such 18 percent by a roll call vote. (Section 2)
Debt Limit	The limit on the debt of the United States held by the public shall not be increased unless ***three-fifths*** of the whole number of each House shall provide by law for such an increase by a rollcall vote. (Section 3)	The limit on the debt of the United States shall not be increased, unless ***three-fifths*** of the duly chosen and sworn Members of each House of Congress shall provide for such an increase by a roll call vote. (Section 5)

President's Budget	Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed total receipts. (Section 4)	Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which (1) total outlays do not exceed total receipts, and (2) outlays do not exceed 18 percent of the gross domestic product of the United States for the calendar year ending before the beginning of such fiscal year. (Section 3)
Increasing Revenue/Taxes	A bill to increase revenue shall not become law unless ***two-thirds*** of the whole number of each House shall provide by law for such an increase by a roll call vote. *Note: original Section 5 was amended at the committee markup to increase the majority-vote requirement from three fifths to two-thirds.* (Section 5)	Any bill that imposes a new tax or increases the statutory rate of any tax or the aggregate amount of revenue may pass only by a ***two-thirds majority*** of the duly chosen and sworn Members of each House of Congress by a roll call vote. For the purpose of determining any increase in revenue under this section, there shall be excluded any increase resulting from the lowering of the statutory rate of any tax. (Section 4)
Waivers During Declarations of War	The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by ***a majority*** of the whole number of each House, which becomes law. (Section 6)	The Congress may waive the provisions of sections 1, 2, 3, and 5 of this article for any fiscal year in which a declaration of war against a nation-state is in effect and in which ***a majority*** of the duly chosen and sworn Members of each House of Congress shall provide for a specific excess by a roll call vote. (Section 6)
Waivers During Military Conflicts	Same as above.	The Congress may waive the provisions of sections 1, 2, 3, and 5 of this article in any fiscal year in which the United States is engaged in a military conflict that causes an imminent and serious military threat to national security and is so declared by ***three-fifths*** of the duly chosen and sworn Members of each House of Congress by a roll call vote. ***Such suspension must identify and be limited to the specific excess of outlays for that fiscal year made necessary by the identified military conflict.*** (Section 7)
Revenues Defined	Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal. (Section 8)	Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except those for repayment of debt principal. (Section 9)
Enforcing Legislation	The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts. (Section 7)	The Congress shall have power to enforce and implement this article by appropriate legislation, which may rely on estimates of outlays, receipts, and gross domestic product. (Section 10)

Prohibitions	n/a	No court of the United States or of any State shall order any increase in revenue to enforce this article. (Section 8)
Effective Date	This article shall take effect beginning with the later of the second fiscal year beginning after its ratification or the first fiscal year beginning after December 31, 2016. (Section 9)	This article shall take effect beginning with the fifth fiscal year beginning after its ratification. (Section 11)

Lastly, H.J. Res. 1 declares that the BBA only becomes valid when ratified by the legislatures of three-fourths of the several states ***within seven years*** after the date of its submission for ratification. H. J. Res. 56 provides for no limit on the duration for which it would become valid except upon its ratification by three-fourths of the states' legislatures.[1]

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[1] Of note, the last amendment to the Constitution took over 202 years to be ratified. Congress submitted the text of the 27th Amendment to the states as part of the proposed Bill of Rights on September 25, 1789. The Amendment was not ratified together with the original first ten amendments. The 27th Amendment was ratified on May 7, 1992, by the vote of Michigan.